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ITT Activity in Chile Will Enliven Hearing

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All signs point to a no-holds-barred donnybrook next week when the Senate Foreign Relations subcommittee on multinational corporations begins hearings on the alleged International Telephone & Telegraph Corp. plotting to interfere with the domestic political affairs of Chile.

The subcommittee, headed by Sen. Frank Church, D-Idaho, will convene on March 20 and the hearings are expected to last about two weeks. The raw material of the probe is explosive since it involves a Marxist government verbally hostile to the United States, one of the richest of the American conglomerates, the Central Intelligence Agency, the White House, the State Department

and controversial columnist Jack Anderson.

That the hearings will be conducted with bare knuckles became evident on Feb. 6 when subcommittee counsel Jerome Levinson and a staff assistant went to New York to interview ITT executives in advance of their appearance here. At one stage, when Levinson became exasperated at the answers he was getting, he predicted that the "roof was going to fall in" on two of ITT's Latin region public relations specialists, Hal Hendrix and Robert Berrellez.

According to informed sources, Levinson predicted newspaper stories would be printed linking ITT with the Watergate intruders and with break-ins at both the Chilean embassy here and the homes of Chilean diplomats in New York.

Thursday, columnist Anderson did indeed emerge with a piece saying Senate investigators suspected the Watergate "Mission Impossible" team may also have engineered the break-ins of the Chilean embassy and residences. ITT officials wryly spoke of Levinson's February prediction and the March publication of the story.

The Levinson memo, according to Anderson, said that "the Cuban community knew they had worked together on CIA jobs over a number of years and that Sturgis and Hendrix had known each other for years."

No Witness List

Asked about the memo and the Anderson column, Levinson told The Star-News their was no evidence of ITT involvement in the Chilean break-ins. Hendrix, a Pulitzer Prize-winning reporter in Miami in 1963, said he and other newsmen had known Sturgis in the early days of Fidel Castro's regime. Hendrix said he had known Sturgis, a defector from the Castro air force, as "Frank Fiorini". He said he has neither seen nor communicated with Sturgis-Fiorini since 1961.

The subcommittee has not released its witness list but presumably Church and Levinson would like to question William V. Broe, who was the CIA's Latin region director in 1970 when the ITT allegedly conspired with U.S. officials and certain Chileans to block the election of Marxist President Salvador Allende.

It might also want testimony from Viron P. Vaky, then National Security Council specialist for Latin America and now ambassador to Costa Rica, who reportedly had a brief conversation with ITT's J.D. (Jack) Neal about the Chilean matter.

Edward M. Korry, a former Newsweek correspondent who was ambassador to Chile through late 1971, also is believed to be on the subcommittee's witness list. Korry last year was assigned to the Overseas Private Investment Corp., a government corporation for insuring U.S. private investment. Corp., a government corporation for insuring U.S. private investments in developing nations.

The ITT witnesses will be Harold S. Geneen, president of the giant corporation; ITT vice president E.J. Gerrity Jr.; Neal; Hendrix, Berrellez; former Washington office vice president W.R. Merriam and possibly others.

Considerable Contact

The warp and woof of the investigation is the collection of internal documents which came into Anderson's hands from the Washington office of the corporation. Anderson has never revealed how he came by the documents and, so far as is known, ITT has never admitted the documents, or copies of them, out of the office.

The documents are a series of memoranda between ITT officials and indicate considerable contact between the company and various government officials on the subject of keeping Allende out of power. ITT had a \$153 million investment in the Chilean Telephone Co., since expropriated, at that time and also operates two Sheraton hotels there.

One memo from Hendrix and Berrellez reports that the U.S. government had given Korry the "green light" to do everything possible, short of a Dominican type action, to keep Allende from taking power. Allende was the narrow front runner in a three-man race for president and was elected to the office by the Congress in November, 1970, two months after the popular vote was counted.

Hands-Off Policy

The documents purport to show that ITT offered money "in seven figures" to keep Allende from winning the runoff. Some memos have ITT executives reporting a plan to stimulate economic chaos in Chile that might lead to a military coup against Allende.

In the event, the U.S. adopted a hands-off policy; there was no crisis and no military coup and no evidence that American companies collaborated to create an economic disaster in Chile. ITT's people privately say the memos were in the nature of reports of what was going on or what might happen in Chile, not plotting by the company alone or in concert with any U.S. agency.

The Church subcommittee will be trying to elicit hard answers under oath to questions raised by the ITT papers.